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May 20, 2020

Thomas Buschatzke, Director Arizona Department of Water Resources 1110 W. Washington Street, Suite 310 Phoenix, Arizona 85007

Re: Request for Consultation on Transfer of 4th Priority Colorado River Water Right GSC Farm, LLC to the Town of Queen Creek

Dear Director Buschatzke,

On February 10, 2020, the Department granted GSC Farm, LLC and the Town of Queen Creek's request for an additional ninety (90) days to review public comments, and address, respond, and attempt to resolve any concerns or claims of negative impacts.

The Department's Substantive Policy Statement CR10 – *Policy and Procedure for Transferring an Entitlement of Colorado River Water* – further states that the ninety (90) day period is provided so that all parties (the transferring and receiving entities and the individuals and entities claiming negative impacts) can attempt to resolve or mitigate the claimed negative impacts of the proposed transfer. The policy clearly contemplates that the transferring and/or receiving entity will not just respond to or rebut the claimed negative impacts, but will consult with those individuals and entities claiming negative impacts in an attempt to negotiate resolution or mitigation of those impacts.

Per your letter, the ninety (90) day period began on February 10, 2020 and ended on May 10, 2020. It is our understanding that at no time during that period did GSC Farm, LLC or the Town of Queen Creek reach out to any of our constituents to discuss and/or try to resolve or mitigate the negative impacts expressed.

Instead, on May 7, 2020, GSC Farm, LLC and the Town of Queen Creek filed with the Department its 44 page response (281 pages with exhibits), responding to and rebutting all of the negative impacts expressed during the public comment period. In some instances, the negative impacts are addressed more broadly. In others, GSC Farm, LLC and the Town of Queen Creek more directly and specifically challenge the individuals and/or entities that raised concern of negative impacts. Throughout its entire

response, there is no evidence of consultation and there are no attempts to resolve or mitigate the negative impacts raised by those that submitted public comments.

From a public process and policy standpoint, there are several issues with the actions of GSC Farm, LLC and Town of Queen Creek and their written response:

- The Department's policy provides for negotiation and consultation between the parties, but it is our understanding that no one that expressed negative impacts was contacted or consulted with during the ninety (90) period. Not even the individuals and/or entities specifically challenged in the response.
- The Department's policy does not provide for a written response to public comment.
- The written response is a self-serving rebuttal to which no response is permitted by the Department's policy. Not only is the written response not permitted by the policy, but it is also offensive to a fair process for the determination of the Department's decision.
- GSC Farms, LLC and the Town of Queen Creek clearly ignored the requirements of the policy.
- The closure of the public comment period and the ninety (90) day consultation period leaves those negatively impacted by the proposed transfer without recourse and without an opportunity to question, clarify or respond to the written response submitted by GSC Farms, LLC and the Town of Queen Creek.

GSC Farm, LLC and the Town of Queen Creek ignored the Department's direction. They were to take the ninety (90) days granted by the Department to review public comments and to reach out to and consult with any who expressed negative impacts as a result of the proposed transfer in an attempt to resolve or mitigate those negative impacts. However, to our knowledge, GSC Farm, LLC and the Town of Queen Creek failed to consult with anyone. Their apparent abuse of the policy process has precluded a fair discussion of the substantive issues related to the proposed transfer.

As a result, we would like the record to reflect that GSC Farm, LLC and the Town of Queen Creek failed to follow the Department's direction in its February 10th letter and failed to comply with the Department's transfer policy, which requires consultation and negotiation with the individuals and parties expressing negative impacts. Therefore, GSC Farm, LLC and the Town of Queen Creek's response to negative impacts should be weighted accordingly or disregarded.

We also request that the Department provide those that expressed negative impacts and were not consulted with the opportunity to respond to GSC Farm, LLC and the Town of Queen Creek's May 7^{th} response.

Sincerely,

Senator Lisa Otondo Legislative District 4

Charlese R. Jeraarde Representative Charlene Fernandez Legislative District 4

Representative Geraldine Peten Legislative District 4 Representative Joanne Osborne Legislative District 13

Representative Timothy M. Dunn

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Senator Sine Kerr

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